



Fact Sheet

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October 27, 2005

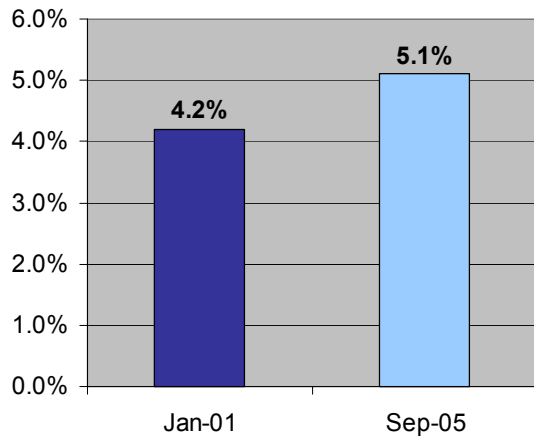
Monthly Economic Reality Check

President Bush believes that “we have good reason to be optimistic about our economy.” That optimism depends on who you are. If you’re a corporate executive, the Republican economic record has produced preferential tax breaks, record profits, soaring executive bonuses, and economic abundance. For the rest of America, the picture is very different. Five years of Republican policies have created an economic reality for working American families that includes fewer job opportunities, declining household income, lower retirement benefits, more debt, and high prices for every day necessities such as gasoline, home heating oil, and health care.

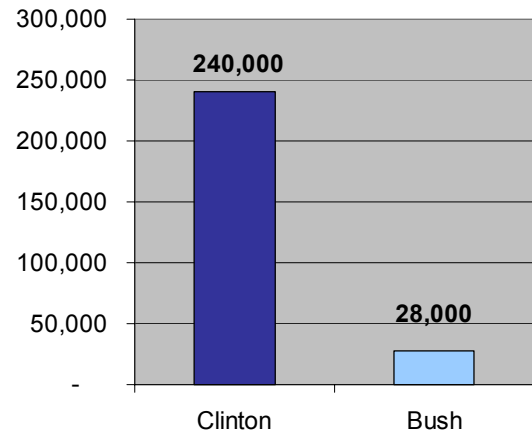
President Bush's economic security claim: "More Americans are working today than at any time in our history."

Economic reality: President Bush has the worst job creation record of any American president since the 1930s. The U.S. economy needs to generate at least 150,000 jobs each month to keep up with population growth, but President Bush has averaged just 28,000 jobs per month. Long-term unemployment has more than doubled, 1.7 million more workers are unemployed, and more than 3 million manufacturing jobs have been lost since President Bush took office in 2001.

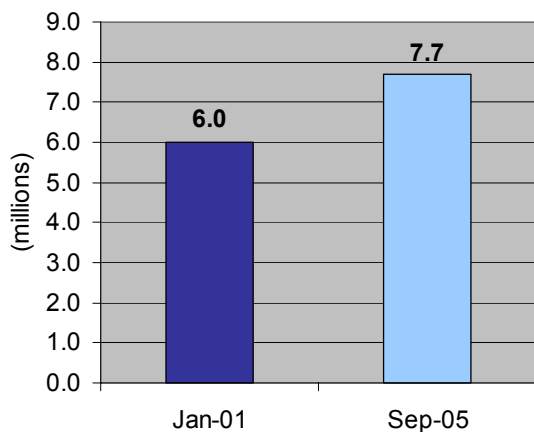
Unemployment rate



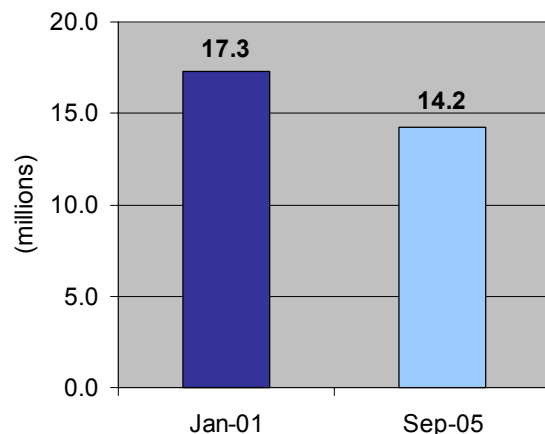
Average monthly job creation



Total unemployment



Manufacturing jobs

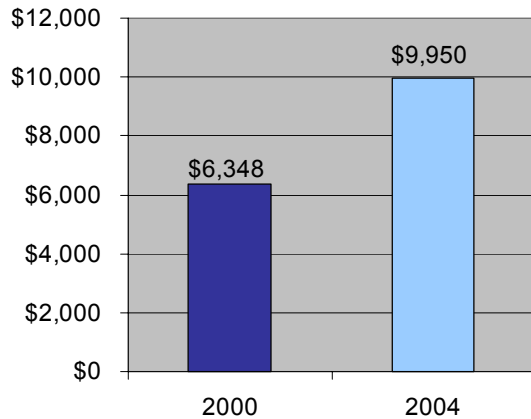


Source: President Bush's Radio Address, 6/18/05; Bureau of Labor Statistics.

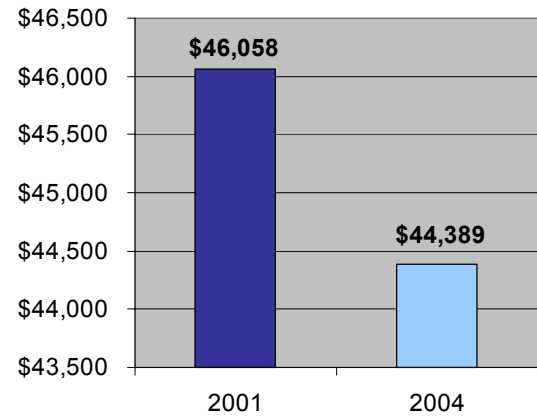
President Bush's economic security claim: "Delivering opportunity means allowing families to keep more of the money they earn."

Economic reality: Under Republican leadership, middle class families are keeping less of the money they earn because wages are lagging behind inflation, and spending a bigger slice of their income on rising health care costs and other every day expenses.

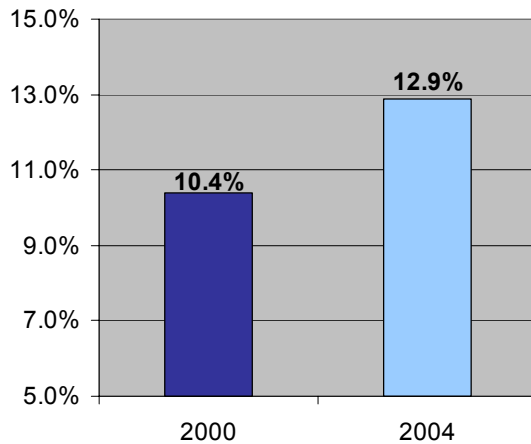
Cost of family health insurance ↑



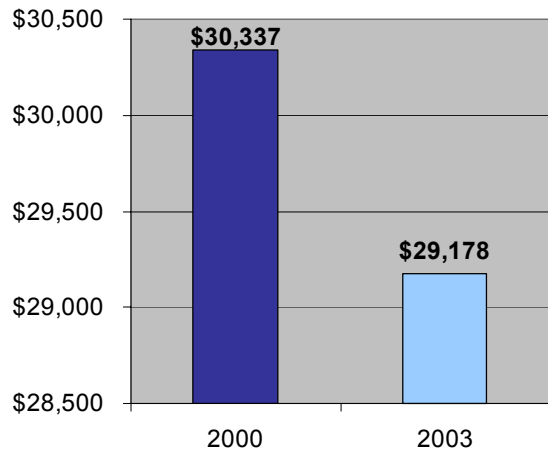
Real median household income ↓



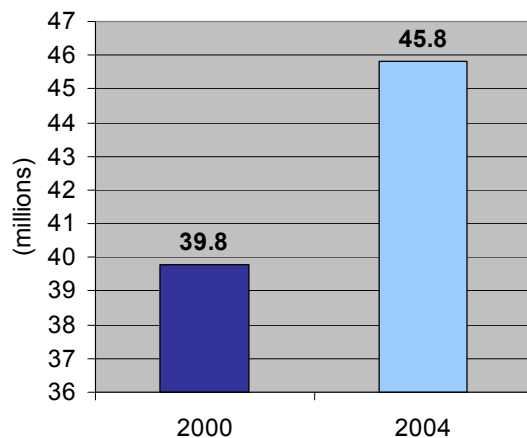
Medicaid recipients ↑



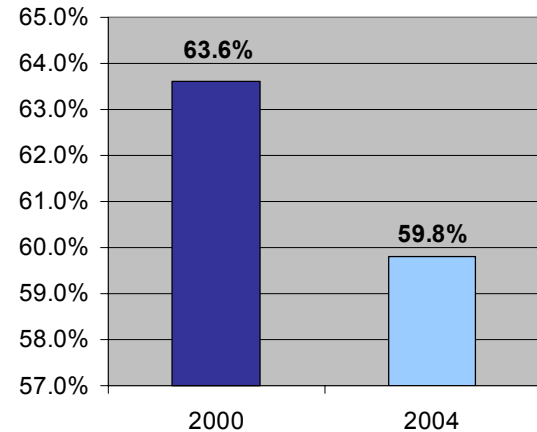
Elderly: income after tax, health care costs ↓



Uninsured Americans ↑



Employer-provided health care ↓

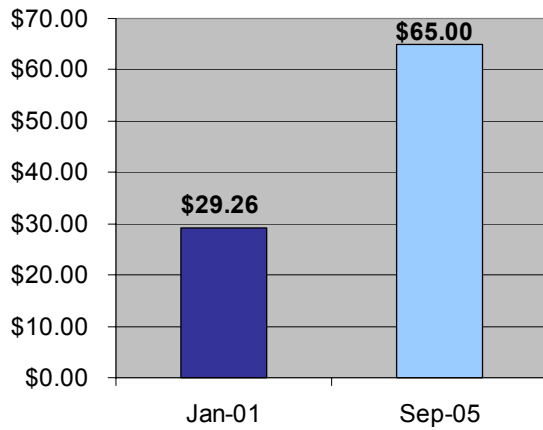


Source: President Bush's Radio Address, 6/18/05; Economic Policy Institute; U.S. Census Bureau.

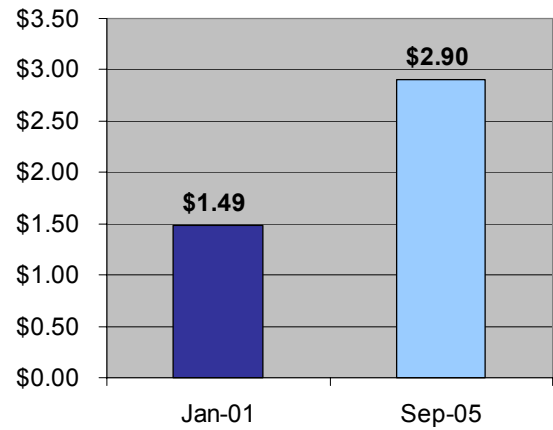
President Bush's economic security claim: "In this new century, Americans require a reliable and affordable supply of energy."

Economic reality: Energy prices have skyrocketed to record levels during the Bush presidency.

Price of a barrel of oil



Price of a gallon of unleaded gas

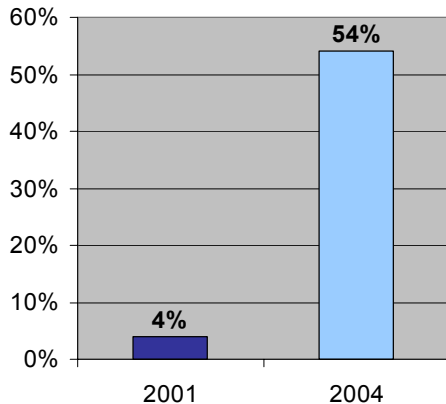


Source: President Bush's Radio Address, 6/18/05; Department of Energy, Energy Information Administration.

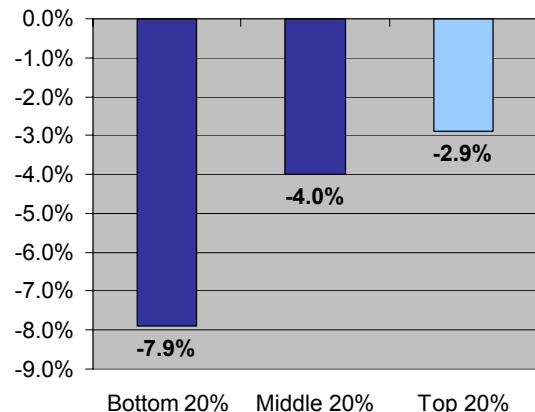
President Bush's economic security claim: "We need to work together to ensure that opportunity reaches every corner of our great country."

Economic reality: During the Bush Administration, opportunity has reached the halls of executive suites, where CEO bonuses have skyrocketed, but not Main Street America. Real income has declined and Republican tax policies have been less than equitable. Meanwhile, the U.S. poverty rate has reached a level higher than that of China, Tunisia, Croatia and Hungary.

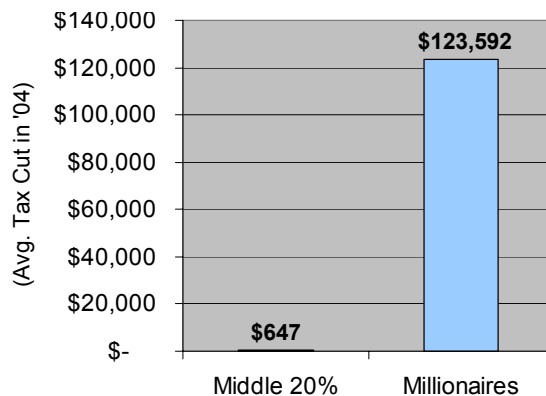
% Increase in CEO compensation ↑



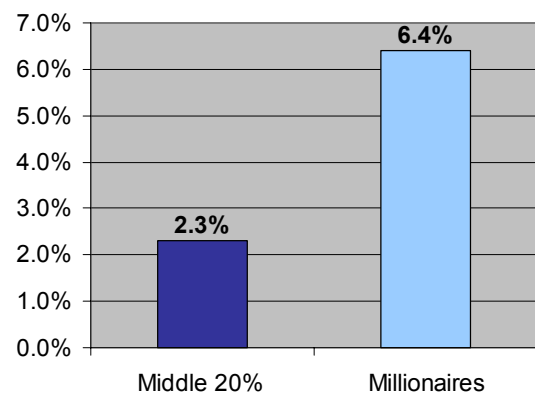
% Decline in real household income '00-'04 ↓



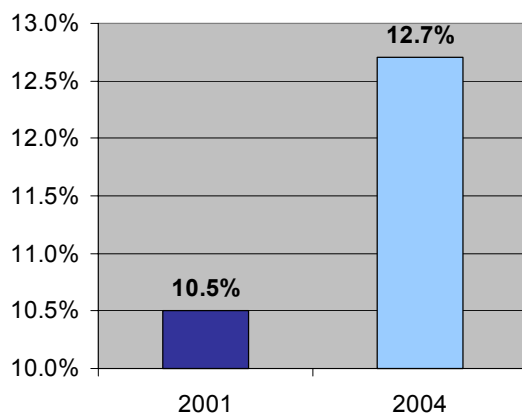
Tax break for millionaires '00-'04 ↑



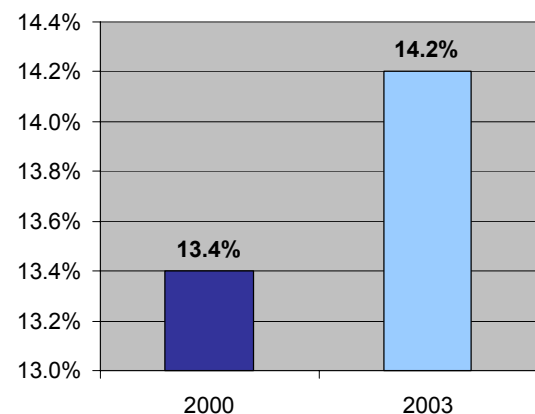
% Increase in after-tax income '00-'04 ↑



Poverty rate ↑



Rural poverty rate ↑

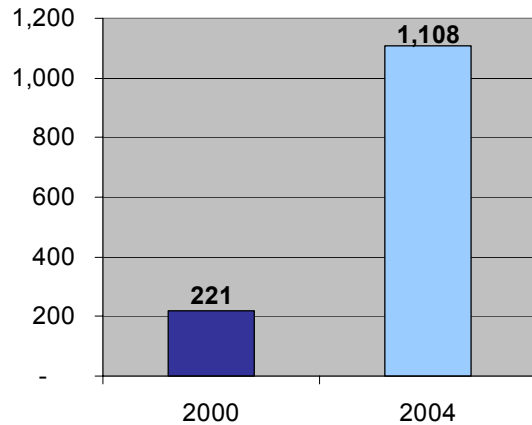


Source: President Bush's Radio Address, 6/18/05; *Forbes Magazine*; U.S. Census Bureau; Urban-Brookings Tax Policy Center, 4/04; Department of Agriculture, *Rural America at a Glance*; Central Intelligence Agency, *World Factbook 2005*.

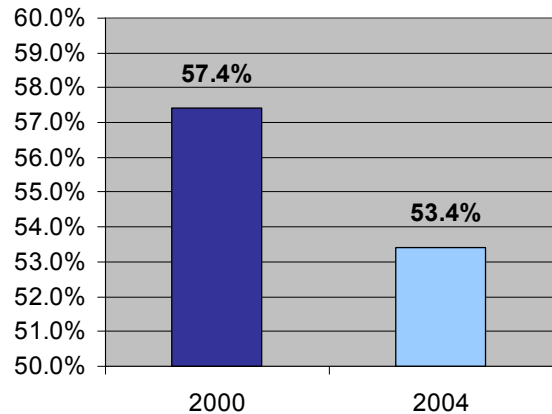
President Bush's economic security claim: "Americans need to know that if they work hard their whole lives, they will retire with dignity..."

Economic reality: With pension coverage declining and pension underfunding increasing, Americans are relying more on the promise of guaranteed Social Security benefits.

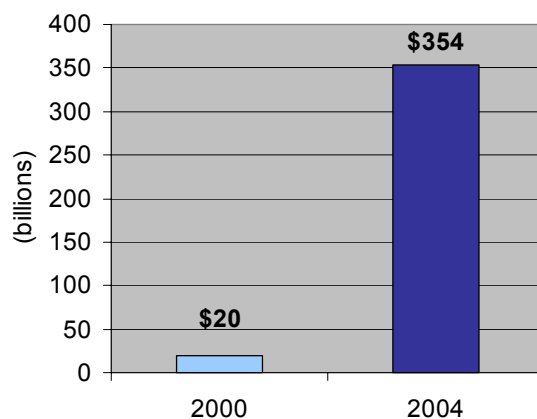
Underfunded pension plans



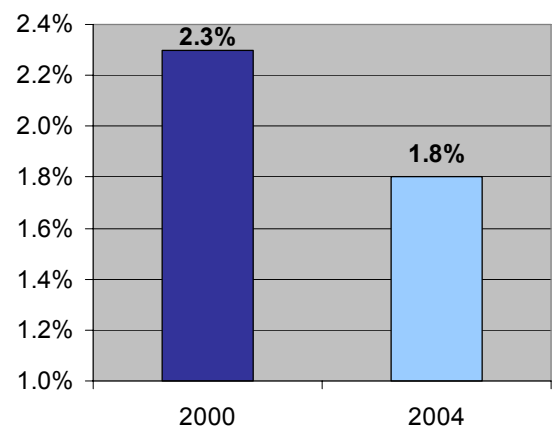
Pension coverage



Pension underfunding amount



Personal savings rate

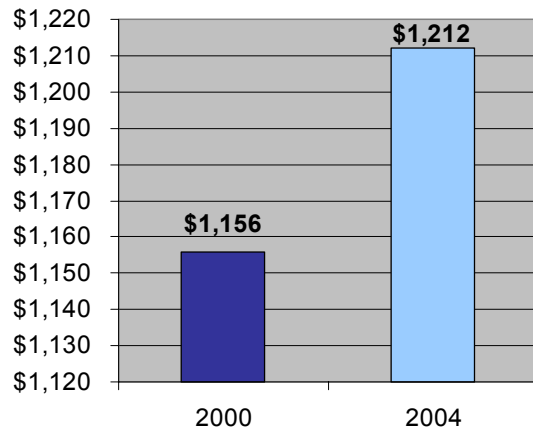


Source: President Bush's Radio Address, 6/18/05; Pension Benefit Guaranty Corporation, 6/05; Congressional Research Service, *Pension Sponsorship and Participation: Summary of Recent Trends*, 09/08/05; Bureau of Economic Analysis.

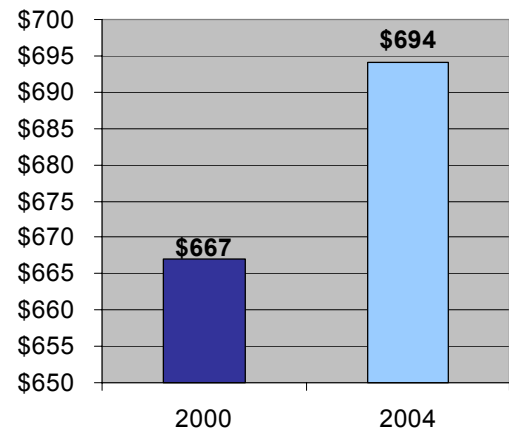
President Bush's economic security claim: "More Americans own their homes than at any time in our history."

Economic reality: Alan Greenspan recently warned, "[N]earer term, the housing boom will inevitably simmer down" and that asset values "can readily disappear." Americans are living with record amounts of debt in order to meet their mortgage payments. Housing costs for both homeowners and renters have increased since President Bush took office in 2000 and personal bankruptcy filings have more than doubled.

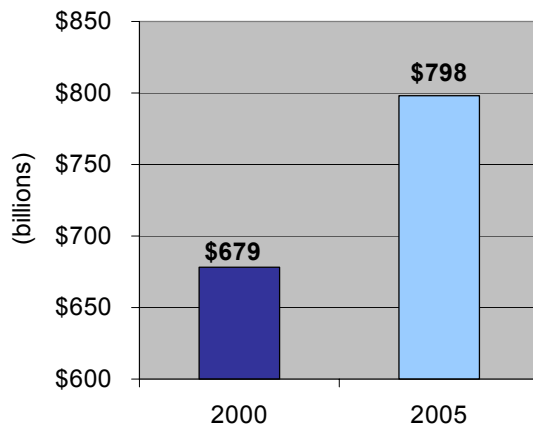
**Median monthly home ownership costs
(including mortgage payments)**



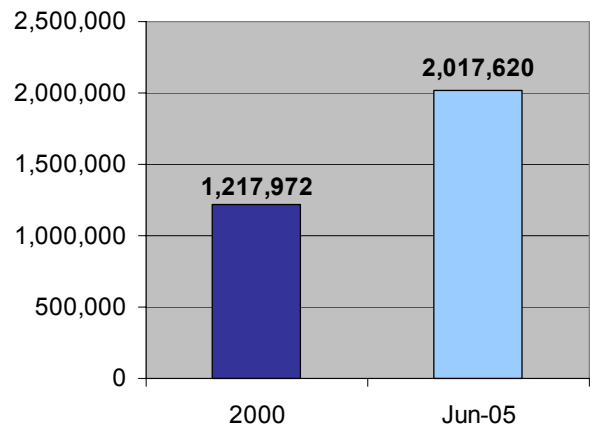
Median monthly rental costs



Consumer credit card debt



Personal bankruptcy filings

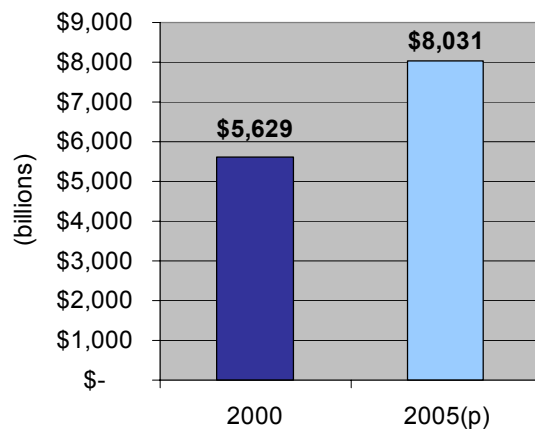


Source: President Bush's Radio Address, 6/18/05; Speeches by Alan Greenspan at Jackson Hole Symposium Sponsored by the Federal Reserve Bank of Kansas City, 08/05; U.S. Census Bureau, *2004 American Community Survey*; U.S. Treasury Department; Administrative Office of the U.S. Courts.

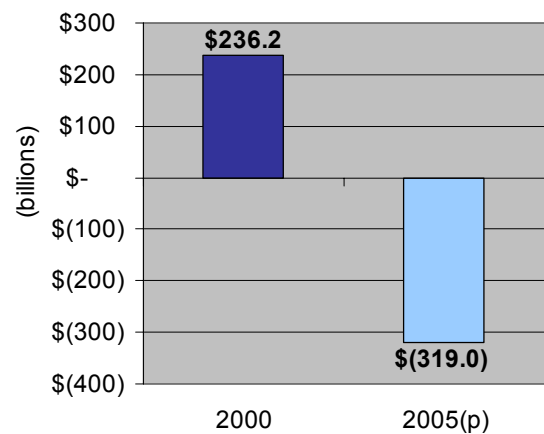
President Bush's economic security claim: "Delivering opportunity also means adapting to the needs of a new century."

Economic reality: By driving up the federal debt, and squandering the surpluses built up during the 1990s, the Bush Administration and the Republican-controlled Congress have made the U.S. less able to adapt to the needs of a new century. While hundreds of thousands of hurricane survivors are still left jobless and homeless along the Gulf Coast, Republicans in Washington are demanding cuts to the very programs that would help survivors the most. As the *New York Times* has editorialized, "Congressional Republicans are trying to invoke the cost of reconstruction from Hurricane Katrina to justify cutting even more deeply and cruelly into programs that help the poorest Americans. Prodded by self-proclaimed budget hawks, the House speaker, Dennis Hastert, suddenly wants to up the ante in Congress's budget plan - to \$50 billion from \$35 billion - for five years of cuts in basic programs. Billions for food stamps, Medicaid and welfare reform would be lopped off." [*New York Times*, 10/13/05] The National Council of Churches has called the cuts "inconceivable." [*Christian Post*, 10/21/05]

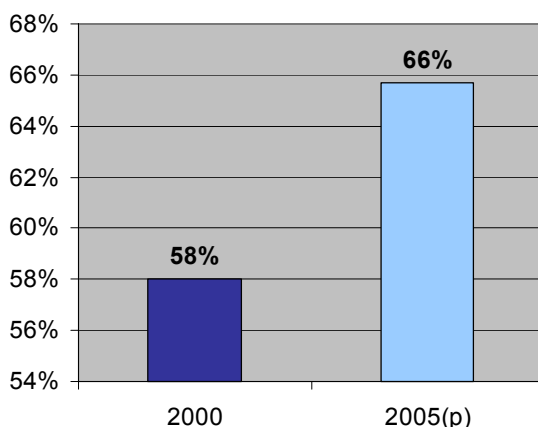
Gross federal debt



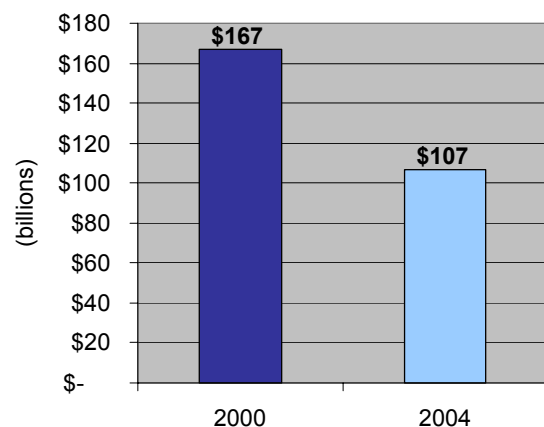
U.S. budget surplus



Gross federal debt as a % of GDP



Direct investment into the U.S.

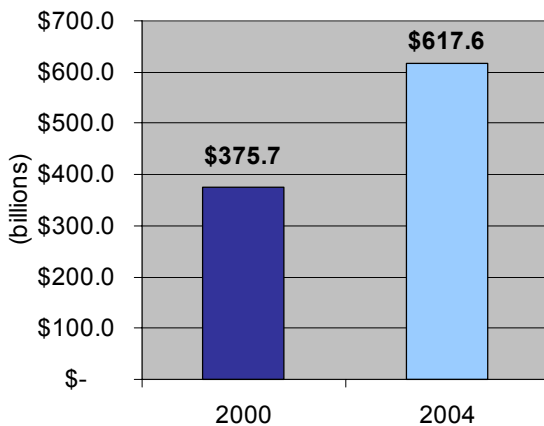


Source: President Bush's Radio Address, 6/18/05; Office of Management and Budget, *Historical Tables for Fiscal Year 2006*; Organization for Economic Cooperation and Development.

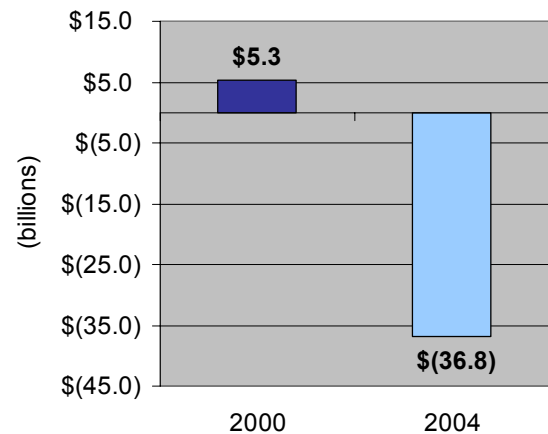
President Bush's economic security claim: "In this new century, American prosperity will increasingly depend on our ability to sell our goods and services overseas... Our policies have put us on the track to growth."

Economic reality: Every year the Republicans have been in power, the U.S. trade deficit has reached a new high and foreign governments are now financing 75% of this trade gap. Instead of increasing prosperity for working families and strengthening our trade position, five years of Republican policies have made the U.S. less competitive, more dependent on foreign borrowing than ever before, and turned the U.S. into the largest net debtor country in the world.

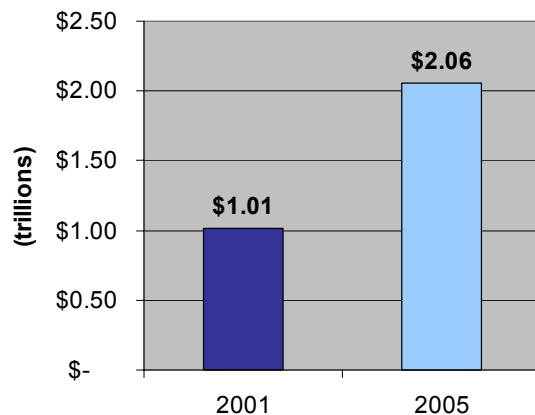
U.S. trade deficit



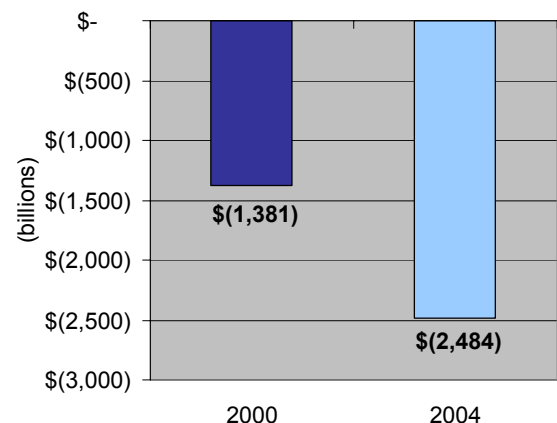
U.S. trade balance in advanced technology products



Foreign ownership of U.S. public debt



International investment position



Source: President Bush's Radio Address, 6/18/05; U.S. Census Bureau; U.S. Treasury Department; U.S. Census Bureau, Foreign Trade Division.